

SENATE BILL 880
By McNally

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 6, Part 3, to exempt certain low emissions
vehicles from the sales and use tax.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-329(a), is amended by adding
the following new subdivision:

(22) Hybrid-electric vehicles (HEVs) and vehicles that utilize alternative fuels,
including hydrogen-powered vehicles, that are registered in Tennessee; provided,
however, the retail sale of such vehicles shall be subject to the local option sales tax
authorized by §67-6-702(a).

SECTION 2. This act shall take effect July 1, 2005, the public welfare requiring it.